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3. During the following month, many of the German scientists and technicians were reshuffled and assigned to various shops and departments corresponding to their professional abilities. The scientists and designers [redacted] were assigned to the Central Design Bureau (TsKB--~~Tsentrallye Konstruktor'skoye Byuro~~). [redacted] acted as consultants to Soviet scientists and engineers. The German managers, foremen, and mechanics were assigned to production departments. There they trained their Soviet counterparts in various production techniques and at the same time organized the operation of the shops.

4. A reorganization took place in March 1949. All Germans were transferred to the newly established Shop No. 36. The laboratories, technical offices, and workshops, which previously had been largely manned by Germans, were combined within the new shop. The administration of Shop No. 36 was performed by a staff of Soviet engineers, foremen, and office workers. The shop was primarily engaged in developing and producing various instruments and equipment designed for use in the shops of the Soviet sector of the plant.

LIMITED CONTACT WITH SOVIETS

5. [redacted] the establishment of Shop No. 36 initiated a series of measures designed to restrict contact between German and Soviet employees. The organization of the shop itself was the major step in this direction. Later on, [redacted] no longer invited to other shops within the plant for consultation. The Soviet engineers came to Shop No. 36 whenever they required [redacted] advice, thus narrowing [redacted] opportunities to observe and learn of the activities in the Soviet sector of the plant. In 1951, [redacted] visits to the Soviet offices and shops were prohibited or held to a minimum. [redacted] required to enter and leave the plant area in groups under guard and at designated times of day.

6. Apart from casual experiences while shopping and during recreational activities, [redacted] no personal contact with the Soviet citizenry outside [redacted] of work. It was officially announced soon after [redacted] in Krasnogorsk that the German specialists were not allowed to visit Soviet families at home and that Soviet citizens could not visit [redacted]

7. [redacted]. The Soviet authorities established a komendatura, or building supervisor's office, in [redacted] housing area which, among other duties, served the purpose of keeping an eye on [redacted] personal activities. The above non-fraternization rule was carried so far that the chief of the komendatura forbade the old lady who delivered milk [redacted] apartments. She was allowed to deliver milk to an apartment, but was not allowed to step across the threshold.

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9. It is quite possible [redacted] Soviet colleagues did not express their honest opinions when talking [redacted] about political and social matters. They may have suppressed or distorted their real opinions [redacted]. It is noteworthy that monthly meetings were held for all Soviet workers and employees who had any contact with the German specialists: [redacted] colleagues at work and the employees of the kom-endatura. At these meetings, they undoubtedly received propaganda talks as an inoculation against contamination by the Germans. They probably were also required to report any information pertaining to the Germans' political reliability. In this connection, [redacted] the meetings were frequently attended by the head of the personnel section, KIRYUSHIN, who was undoubtedly responsible for maintaining security at Plant No. 393.

MANAGEMENT OF PLANT NO. 393

Planning Procedures

10. The German specialists were allowed to obtain no insight into Soviet planning procedures as carried out on the ministerial level. However, it was clear that the annual plans which determined the operations of Plant No. 393 were drawn up and issued by the Ministry of Armaments. The annual plans were probably drawn up by the ministry on the basis of suggestions from Plant No. 393, work orders generated by the ministry itself, and work orders received from other ministries. It was clear, at any rate, that Plant No. 393 was not in a position to undertake projects of importance on its own initiative without first obtaining clearance from the ministry.

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11. There was a planning office at Plant No. 393. The chief of this office was listed as a member of the plant director's staff. [redacted] this office reported directly to the plant director and not, for example, to a chief directorate for planning within the Ministry of Armaments.

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12. [redacted] the planning office was charged with drawing up production plans for the various shops and sections within the plant, checking on plan fulfillment within the plant, and submitting reports on plan fulfillment to the ministry. In this connection, [redacted] the planning office established quarterly plans for the various shops which were based on annual plans issued by the ministry.

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13. A Soviet official assigned to Shop No. 36 was responsible for carrying out the various planning operations within the shop. [redacted] in consultation with the plant's planning office, he drew up the monthly production plans for Shop No. 36 as a whole, as well as for the individual sections within the shop. [redacted] this man also checked on the fulfillment of production plans within the shop. Finally,

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he calculated the percentage of plan fulfillment by Shop No. 36 and submitted this information in monthly reports to the planning office. [] an official having similar functions was assigned to every shop within the plant.

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14. The final stage in the planning procedure was reached in the assignment of monthly plans to the various sections within Shop No. 36. These assignments were made at monthly meetings of section chiefs, which were presided over by the shop chief and the shop's planning adviser.

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15. [] the control of plan fulfillment as exercised by the ministry was limited to the auditing of reports submitted by Plant No. 393. [] no inspection commissions [] were dispatched by the Ministry of Armaments or other ministries for the purpose of verifying the fulfillment of production plans. The minister and some of his leading assistants occasionally visited our plant, but probably simply for the purpose of obtaining general information.

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16. The control of plan fulfillment within Shop No. 36 was carried out primarily by the shop chief and his planning adviser. The Party representative in Shop No. 36 was also active in "mobilizing inner reserves" when the successful completion of plans was in doubt. He was aided in these endeavors by the trade union representative and shop chief.

17. An inspection foreman (kontrolnyy master) assigned to Shop No. 36 was responsible for checking and verifying the quality of finished products. The inspection foreman checked finished products against original specifications concerning tolerance and performance, wrote a report on his findings, and gave his approval. His inspection check-list had to be signed by himself, the shop chief, the chief of the OTK (Otdel Tekhnicheskogo Kontrolya) of Plant No. 393, and sometimes the chief engineer of the plant. An inspection check-list and accompanying report were executed for each instrument produced under my supervision and not on a spot-check basis.

18. [] the inspection foremen reported to the plant's OTK section, as he signed all his reports with the designation "OTK". He seemed to work quite independently of any supervision by [] shop chief. Furthermore, it is a likely assumption that the plant's OTK operated independently of any significant supervision by the plant management and that it reported directly to some outside agency. []

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[] it is possible that the OTK was under the supervision of the Ministry of State Control.

19. The plant supervisors and individual shop chiefs made, of course, every effort to fulfill their production plans, even when these plans imposed great burdens on individual workers and technicians. When a shop failed to meet its monthly plan, no bonuses were distributed to its personnel. The shop chief was put under further pressure by propaganda circulated throughout the plant which held up his shop as a bad example. Finally, a shop chief and other responsible officials would be replaced and demoted if a shop repeatedly failed to meet

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its production schedules. Although this never happened in Shop No. 36, it was probably the reason why KASNINSKI was replaced as director of the Krasnogorsk plant in [] 1947.

20. Production plans were regarded as something almost holy and untouchable. It was extremely difficult to alter a plan once issued by the ministry. This applied to designing and development work as well as to serial production. A development engineer like myself had the greatest difficulty in changing the slightest details of a development or research project as laid down by the ministry, even when unforeseen difficulties made such an alteration desirable, if not necessary. [] expected to stick to the letter of the project and nothing else.
21. It was also difficult, if not impossible, to alter an annual plan in respect to procurement of materials. All material requirements for a production year were listed in an annual plan. Raw and semi-finished materials could only be procured on the authority of an annual plan. It often happened in research and development that materials or parts were needed which had not been foreseen. If [] unable to obtain them in the plant, [] either had to construct the parts [] or use substitute materials.
22. The failure of other sections within the plant and outside agencies to deliver required semi-finished parts and raw materials to Shop No. 56 was a primary problem encountered in Soviet planning procedures. This resulted from the fact that the Soviet planning system provided no reserves in time and material. The failure to provide a certain safety factor in production time schedules also prevented the proper coordination of production cycles of the various plant shops.
23. At Plant No. 396, the Soviet planning machinery and industrial methods achieved the primary goal of establishing a plant in the Soviet Union capable of producing optical equipment new to Soviet industry. Secondly, the Soviet planning system was successful to the extent that Plant No. 393 did not fail to meet its production goals as established by the ministry. On the other hand, it seemed certain that the Soviet planning system generally hindered the development of any new products requiring creative ingenuity. Engineers and scientists were allowed almost no independence of action in carrying out research and development work at the plant. They had to work according to basic ideas conceived by, or passed on by, the ministry. These directives did not always represent the best line of approach and did not always conform to the talents and backgrounds of the engineers assigned to develop them.
24. The effect of the Soviet planning system on the speed of production varied according to the product concerned. A Soviet plant engaged in producing standardized articles on a mass-production basis would probably produce more than a corresponding German enterprise. The demand for rapid production generated by the ministry and passed on to the lowest production echelons would probably be effective in such a case. However, the bureaucratic control of industry as practiced in the Soviet Union hindered the rapid development and production of new articles. For example, Plant No. 393 produced, on an experimental basis, a good copy of a Spiegel reflex camera. Before we could proceed with the mass production of this camera, it had to be submitted to an inspection commission made up of representatives from various ministries.

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This commission determined whether the camera should be produced and, if so, in what quantity. All this probably meant a delay of several years before the camera was actually put into production.

- 25X1 25. All in all, [] a planned economy has distinct advantages when limited to large-scale projects. It is efficient when used to marshal productive resources for such projects as the construction of canals and large power stations. On the other hand, planning had its distinct disadvantages in the Soviet Union when applied to the production of every last kitchen pot and safety pin. The industrial organization was not able to meet the demands imposed by the planning of every industrial process.
26. It is quite possible that the effect of planning operations at Plant No. 393 was not typical of Soviet industry as a whole. First of all, it must be kept in mind that Plant No. 393 was not engaged in the large-scale production of standardized articles. Secondly, it was a newly established plant. It was not in full operation until 1947. Finally, Plant No. 393 evidently faced considerable difficulties in respect to management and organization. Indicative of this was the fact that the plant was always short of funds. Paydays were sometimes delayed as long as 10 to 14 days because the plant management simply did not have the money to meet its payrolls.

Party Activities

27. Before considering the functions of Party and trade union organizations at Plant No. 393, it would be well to obtain a clear picture of the administrative organization of Shop No. 36. In charge of this shop was YUSKIN, the shop chief or nachalnik. Next in line was YERMISHIN, the deputy chief or zamnachalnik. YERMISHIN had formerly been head of the trade union committee (zavkom) of Plant No. 393. He had got into some sort of trouble and had been demoted to the job in Shop No. 36. This zamnachalnik was no technician. He merely aided the shop boss in handling certain administrative problems. In particular, he served as an expeditor in facilitating the supply of raw materials and semi-finished products.
28. A certain PEROV was the planning adviser in Shop No. 36. He previously had also been the zamnachalnik and carried out the duties of that post in addition to planning responsibilities. He continued in the latter capacity after YERMISHIN was appointed as deputy chief.
29. The Party representative in Shop No. 36 was a young man by the name of VESENKO. He was assigned in a technical capacity as norm calculator in the designing office. VESENKO appeared in 1950 with a story that he was studying plant management for a university dissertation. However, [] he was in reality a police agent and not a student. He undoubtedly was assigned to Shop No. 36 in order to keep an eye on the German specialists. It is interesting to note that he accompanied [] group of specialists when it was repatriated to Germany, a function normally reserved for MVD or MGB officials. Finally, the trade union was represented in the shop by a certain BRODINOV. BRODINOV was employed as a mechanic in [] photogrammetric development group.

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25X1 30. Both YESENKO and BRODINOV carried out their respective Party and trade union functions on a part-time basis. [redacted]
 25X1 [redacted] this was true of Party and trade union representatives who were assigned to Soviet shops within Plant No. 393. In general, each shop within the plant had its own Party and trade union representatives.

25X1 31. [redacted]
 25X1 Most of these activities can be lumped under the heading of political propaganda. The Party conducted courses or study groups for Party members on various aspects of communist ideology. Party members were evidently required to attend these courses. [redacted] in wall newspapers published in the plant that certain individuals were reprimanded for failing to attend the courses.

32. The Party committee from time to time held closed meetings for all Party members employed in the plant. Party organs also sponsored lectures on current political topics on a shop- and plant-wide basis. These meetings were open to all Soviet workers and employees who wished to attend. The Party conducted no daily political propaganda work such as ten-minute discussions of the latest Pravda editorials.

33. Many Soviet workers and employees failed to show the slightest interest in these political meetings. They either slept through the lectures or failed to appear. Others, on the other hand, seemed to take them seriously. They quoted automatically, and with considerable earnestness, the various standard phrases and slogans originated by Soviet propaganda media.

25X1 34. The Party maintained various "red corners" in Plant No. 393 .
 25X1 Political literature was on hand there for perusal by plant employees. [redacted]
 [redacted]

35. The Party also participated in certain activities designed to stimulate better production. Shop meetings held for the purpose of encouraging workers to meet their production goals were generally held under the auspices of the trade union representative. However, the Party representative and shop boss were also present at these meetings. These three officials also contributed to the wall newspaper published by Shop No. 36. Like other shops in the plant, the German shop published a wall newspaper which appeared on the average of every three or four weeks. These news sheets included announcements of production plans and plan fulfillment, of socialist pledges and competition, criticism of poor workers, and praise for leading producers.

36. In a Soviet workshop, the Party representative was also charged with certain production-control functions. He checked on the course of plan fulfillment. He supposedly uncovered production bottlenecks and contributed to the solution of these problems. In shop No. 36, the so-called trade union activists, or

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Gewerkschaftsaktiv, carried out the latter duties. The aktiv was an offshoot of the Antifa group. Its members urged the other German specialists to bring production bottlenecks to their attention. They promised to do what they could to clear up such matters.

- 25X1 37. [] no conflicts [] arisen between the Party committee and the plant management in respect to problems of management and production. Any such differences of opinion would have been resolved in the inner sanctum of the plant administration and never allowed to come to the attention of the German specialists. However, [] such conflicts existed; [] Party directives occasionally conflicted with the wishes of the plant director. This at least was the central theme of the play, Moskovskii Kharakter, which was recently popular in the Soviet Union.
- 25X1 38. [] few specific examples of professional favoritism shown to Party members. However, [] given two men of equal professional qualifications, a Party member would always be promoted ahead of a non-Party member. Secondly, [] many instances of Party members occupying posts for which they were by no means qualified. They presumably received such appointments on the basis of their Party standing.
- 25X1 39. For example, IPOLITOV, who was the initial boss of Shop No. 36, had been a simple mechanic in the Soviet sector of the plant before receiving this appointment. He was neither intellectually nor professionally qualified for this position of authority. It was said that IPOLITOV had been given this job because he had a respected record within the Party, which dated back to the October Revolution.
- 25X1 40. [] German specialists were impressed by the fact that even at this late stage in the Soviet industrial revolution, many Soviet employees, who were the bosses of workshops and other sections within a shop, were eminently unqualified for these posts. They were evidently valued more for their organizational talents and political activities than for their technical knowledge. They were forced to rely primarily upon individual brigade leaders for technical guidance.
- 25X1 41. The Soviet authorities evidently recognized this as a problem and were aware of the fact that too many supervisors were professionally incompetent although loyal members of the Party. [] in 1950 an order was issued at Plant No. 393 (perhaps on an all-union level), which required all shop chiefs to have had formal engineering training at a higher educational institution. All chief engineers were required to have an academic degree of either kandidat or doctor. Shortly thereafter, the plant authorities supposedly organized courses for shop chiefs in order to enable them to meet this requirement. If this order indeed existed, it explains why the chief engineer of the plant was replaced by a professor.
42. Curiously enough, the Komsomol gave no sign of significant activity or importance at Plant No. 393, at least not in comparison to the Hitler Jugend or FDJ in Germany. The Komsomol was represented organizationally by a Komsomol adviser employed

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on the director's staff, as well as by Komsomol cells in the various shops. Except for the existence of several Komsomol brigades, [] no activities on the part of these cells.

43. Although the collection of state loans was not necessarily a function of Party organs at Plant 393, []

[] Each and every Soviet worker and employee was compelled to contribute to annual state loans. They were generally required to contribute one month's salary. The contributions were deducted from pay checks in the course of the following 10 or 11 months. Although the Soviets openly expressed their dissatisfaction concerning these state loans, [] no one who dared to withhold his contribution.

Trade Union Activities

44. [] as many as 80 per cent or 90 per cent of the Soviet workers and employees at Plant No. 393 were trade union members. Apparently they were encouraged to join by certain advantages resulting from membership. Trade union members received additional compensation when on sick leave. The union also defrayed the expenses of children who visited Pioneer Camps in the summer.
45. Finally, union members were eligible to spend their vacations at rest centers maintained by the trade union. However, this was a minor privilege for the average worker. Plant bosses and others with good connections were generally the only people who were allowed to attend first-class recreation and rest centers (in the Crimea, Caucasus, and Leningrad coast). The average worker could only count on a vacation at a nearby sanatorium. Then, too, few workers could afford the expense of a vacation at a better rest home. [] it cost about 1,000 rubles for a four-weeks' visit at a Crimean resort, including a round-trip rail ticket. The trade union did subsidize vacations for some plant officials and outstanding workers. Most workers seemed to be interested in earning a little extra money during their vacations. They stayed at home and worked on their gardens or sometimes helped out relatives who lived on collective farms.
46. Regulations required that a shop boss receive the approval of both the plant director and the plant's trade union committee, or zavkom, before he could order overtime work. This was simply a paper regulation as far as protecting the interests of the workers was concerned. It was hardly likely that the secretary of the zavkom would have rejected a request for overtime work and thus jeopardize the fulfillment of a production plan.
47. The zavkom also functioned as a grievance committee which considered complaints from workers concerning wages, working conditions, etc. Here the zavkom was evidently fairly successful in representing the interests of the workers. In one case [] it evidently reversed a decision of the plant management. At Plant No. 393, Sunday was the weekly day of rest during the summer and Wednesday during the winter. This probably was a measure to equalize the use of electric power during the winter months in Moscow.

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One year, the plant management cheated the workers and employees of a day of rest in converting from the winter to the summer schedule. This matter was brought to the attention of the zavkom and it lodged a complaint with the management. The order was withdrawn, allowing the workers to have the required number of free days.

48. The zavkom signed yearly contracts (kollektivnyye dogovora) with the plant management which stipulated certain working conditions for the coming year and which contained certain mutual pledges. A collective contract established wage categories for workers as well as the dates for paydays. Plant workers and employees were paid twice a month but wage payments were staggered over a period of two or three days.
49. A typical contract also included a pledge by the zavkom on behalf of the workers to increase last year's production by a certain percentage. The zavkom also promised to increase productivity by a given percentage, granted that various means for achieving this goal (increased mechanization, more tools, et cetera) were provided by the plant management. The plant, on the other hand, promised to improve working conditions: to expand washroom facilities, improve heating and light, et cetera. The management also pledged to build new houses, repair dwellings, and construct additional cultural facilities, such as kindergartens, in the community. A typical contract also determined the amount of money which would be contributed out of the so-called director's fund for vacation subsidies and training programs. And finally, the trade union frequently pledged on behalf of its members to contribute a certain number of non-working hours each year for the purpose of improving the appearance of the plant grounds.
50. Trade union representatives would refer to this contract when its terms were not being met by individual shop chiefs and plant management. In general, the management lived up to the terms of the contract with the exception that it seldom held paydays on the specified dates. However, the contract was in reality a "put-up job" as the management never committed itself to anything which it would not have carried out anyway. Secondly, the workers had no voice in determining the terms of the contract.
51. The zavkom played the predominant role in carrying out various production improvement measures. The trade union was aided by Party representatives in these activities and, of course, had the full support of the plant management. These measures took the form of individual and collective pledges, socialist competitions, and awards to outstanding shops, brigades, and individual workers. These measures were usually announced at shop meetings convoked for that purpose. The shop trade union representative made the announcement, for example, that according to a decision of the zavkom, the plant would be on "Stakhanovite duty" (stakhanovskaya yakhta) during the month of the Soviet constitution. It called for above-plan production, reduced waste, and clean-up campaigns throughout the plant. Slips of paper were then distributed to the assembled workers. Each worker was expected to write down a personal pledge on his slip of paper and to turn it in later. In other cases, entire brigades were encouraged to pledge themselves collectively to overfulfill production quotas by a certain percentage.

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52. Party members and other activists were always the first among the Soviet workers to commit themselves to socialist pledges. The average worker reacted to such measures passively. He waited until the last minute to assume any obligation, and even then it was generally quite inconsequential. However, no worker dared to oppose actively such pressure techniques. It is quite possible that these socialist pledges and competitions achieved some results. Some passive workers were compelled to undertake additional tasks because they feared that failure to do so would cause them to be branded as politically backward or neutral.
53. A German specialist by the name of BRAUNE and four or five other communist sympathizers established an Anti-Fascist Study Group (Antifaschister Arbeitskreis) among the group of German specialists at Plant No. 393. This Antifa group set as its aims the furthering of friendship with the Soviet Union, support of the political system in the GDR, and study of Marxist ideology. According to the official version, this group of Germans approached the local zavkom at Plant No. 393 and requested the establishment of such a political study group. The zavkom supposedly forwarded the request to the All-Union Central Council of Trade Unions. The Central Council approved the request and offered material and moral support.
54. However, it is entirely possible that either the Central Council of Trade Unions or the MVD-MGB were the initiators of this move. In the summer of 1948, BRAUNE was apprehended by plant authorities while reading a copy of Mein Kampf. BRAUNE claimed that he wished to review Hitler's fallacious policies in the light of his experiences in the USSR. BRAUNE was called to Moscow shortly thereafter and was gone for an entire day. According to BRAUNE's story, he had gone to Moscow to submit a claim for a lost package. He had either lost his way or had been picked up by the police because he had no passport. It is quite possible that he was actually approached by representatives of the Central Council at this time. It is equally possible that he had been called to Moscow for an interrogation by police authorities and that the latter had used the Mein Kampf incident to force him to take over the job of establishing an Antifa group.
55. The Central Council of Trade Unions and not the local zavkom acted as sponsor of the Antifa once it had been established. An official of the Central Council, a certain KUZINSKIY, was the leading Soviet official responsible for directing its activities. KUZINSKIY was present at the organizational meeting of the Antifa and later appeared from time to time as a speaker at its meetings. The Central Council was permanently represented at Plant No. 393 by Irina PUSHKINA, a trade union functionary who was assigned as "cultural adviser" to the Antifa. She evidently was the immediate Soviet supervisor of the organization.

MVD Activities

56. There were at least four identifiable sections or units entrusted with security functions at Plant No. 393. These included the personnel section (Otdel Naima); the security office, or

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Section 1 (Pervyy Otdel); the guard detachment; and the superintendent's office, or komendatura, which guarded the movements of the German specialists. It is entirely possible that there was another office or agency within the plant which directed the activities of informers and secret agents.

57. KIRYUSHIN, the head of the personnel section, held the title of assistant to the plant director (pomoshchnik direktora). Although KIRYUSHIN was simply listed as director of the personnel section, he evidently was in charge of, or could issue orders to, all other security offices in Plant No. 393. He was a captain or major in the MVD. On those occasions when he appeared in uniform, KIRYUSHIN wore a standard Soviet Army officer's uniform with a visor cap encircled by a dark green band. It is likely that KIRYUSHIN reported directly to the MVD and not to the plant director because of the importance of his post. On the other hand, the fact that he was entitled "assistant to the director" indicates that he might have taken orders from the latter individual.
58. The personnel section was evidently entrusted with the duties both of a normal personnel office and of a security office. [redacted] the former point is true as [redacted] no other personnel section within the plant. Indicative of the latter function was the fact that German specialists were interrogated at the personnel section when they were under suspicion of sabotage.
59. The guard detachment at Plant No. 393 evidently reported to KIRYUSHIN. [redacted] It is also noteworthy that a guard had to clear with KIRYUSHIN before he could allow a visitor to enter the plant.
60. Section 1 was charged with the safekeeping of classified documents. Every night, the individual designated as security officer in a shop or office turned over classified documents charged out to him to Section 1, where they were stored overnight. It is quite possible that Section 1 was also supervised by KIRYUSHIN. For one thing, TSITOROVISH, the Soviet employee who acted as chief interpreter for the German specialists and was connected with the komendatura, maintained his office in Section 1. [redacted] the komendatura was directly subordinate to the personnel section. It was also true that German specialists on several occasions filled out questionnaires on orders of Section 1. This was normally a function of the personnel section.
61. The so-called komendatura, or supervisor's office, was responsible for guarding the homes of the German specialists, granting the Germans permission to leave the city of Krasnogorsk, and assigning them guards when on such trips. It also performed certain administrative tasks on behalf of the Germans. It distributed mail, arranged for building repairs, contacted doctors in case of sickness, et cetera. And

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finally, in conjunction with the cultural section of the Antifa, it obtained tickets for cultural activities on request. Approximately eight persons were employed by the komendatura including the chief, or komendant, an interpreter, guards, and charwomen.

62. It was obvious that the komendatura took its orders from the personnel chief. Problems normally handled by the komendatura were frequently referred to him for final decision. It was also true that German specialists who had been caught violating regulations prohibiting fraternization and travel were first questioned by the komendant and then referred to the personnel chief.

Soviet Industrial Efficiency

63.

"How does the Soviet industrial system function as well as it does in spite of many glaring shortcomings?" For one thing, the Soviet system of planned economy allocated the Soviet Union's best material and human resources to its basic industries and military machinery. In this way, the minimum requirements of Soviet state power were met. In the other, less favored, branches of Soviet industry, the chain of command strictly adhered to by the industrial apparatus was able to compel economical use of manpower and material. The non-strategic Soviet industry probably obtained the maximum output which could have been expected from the second-grade resources at its disposal.

64. Secondly, Soviet industrial authorities showed no inhibition or restraint in copying technological developments and innovations originating in western Europe and America. Thirdly, Soviet workers and technicians were willing and skilled in improvising solutions to production problems at times when material or tools were unavailable, which, according to German standards, were necessary to do the job. Such improvisations were frequently carried out at Plant No. 393 in the face of opposition by German specialists, who flatly stated that they could not do a job unless certain tools and materials were on hand.

65. For example, a German truck driver would never consider the possibility of repairing his truck which broke down if he did not have the necessary tools for the job. In his insistence on doing a good job and doing it properly, he would refuse any action on his part and would simply wait for a repair truck to come along. A Soviet driver in a similar situation would more likely than not search the countryside for a piece of wire, repair the truck in some makeshift manner, and off he would go. It would not be a good repair job, to be sure, but the truck would run and that was the important thing.

66. [redacted] certain negative aspects of the Soviet industrial system [redacted] First, Soviet industrial authorities attempted to eliminate certain stages

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of development in the optical and precision mechanics industry. They took on tasks which were too complicated and difficult for their technological know-how, and for which the necessary parts, tools, and materials were not available in sufficient quantities to allow the utilization of rational methods of mass production. Secondly, Soviet skilled workers have not as yet achieved the technical standards of western European workers.

67. Furthermore, engineers and other trained technical personnel were given formal training which was too narrow in scope. They quickly reached the limits of their knowledge when they were required to apply their training to practical work. Soviet technicians and engineers were outstanding when the industrial problems at hand closely corresponded to textbook examples. But they were next to helpless when they encountered new problems in industrial operations. That is to say, they lacked the general training which would enable them to adjust to and deal with new situations.
68. Soviet scientists engaged in industrial research were generally well trained in their fields of specialization. On the other hand, they were generally not aware of the various means of putting technological innovations into practice. This lack of familiarity with the practical side of their work limited their effectiveness. Industrial research and industry itself were not closely related in the Soviet Union. Unlike Germany, and probably the United States, industrial research institutes were not attached to plants but functioned independent of industry. In this way, Soviet industry missed the mutual fructification of production and research.
69. Finally, the system of planning production down to the last nut and bolt requires an extremely well-organized industrial administration as well as highly-skilled planning and administrative personnel. These basic requirements have not been met in the Soviet Union, probably because of both lack of experience (which can be solved in time) and the high incidence of political appointees (which is inherent in the system).

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WORKING CONDITIONS AT PLANT NO. 393

Salaries, Wages and Leave

71. Unskilled workers and individuals employed in various low-level administrative jobs were at the bottom of the wage scale at Plant No. 393, receiving anywhere from 300 to 500 rubles per month. Office employees with no administrative responsibilities were paid from 400 to 800 rubles per month. Well qualified precision mechanics received in general from 1,000 to 1,200 rubles per month on 100 per cent fulfillment of production norms.

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72. Young engineers and designers who had been educated at higher educational institutions and who were just starting out in their profession, received from 1,000 to 1,500 rubles per month plus bonuses. Qualified designers and engineers, who were entrusted with administrative responsibilities (chiefs of designing offices or subsections within a shop), were paid from 1,500 to 2,000 rubles per month plus bonuses. A shop chief received a basic salary of about 1,500 rubles per month. However, shop chiefs received large bonuses which offset their rather low basic salaries. A plant director was paid from 2,500 to 3,000 rubles per month plus large bonuses.

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74. A shop boss and his staff of immediate assistants automatically received a bonus on the successful completion of a monthly production plan by their shop. Bonuses varied directly with the degree of plan fulfillment. [redacted] in the event of 105 per cent plan fulfillment, a shop boss received a bonus of about 1,000 rubles, his assistant about 500 rubles and lesser supervisory personnel about 200 rubles. Workers received no such awards. They were given bonuses only in recognition of outstanding individual achievements, such as suggestions of technological innovations.

75. Soviet workers and foremen received two weeks of annual leave when first employed at Plant No. 393 and three weeks of annual leave after being employed for a certain period. Personnel engaged in unhealthy or dangerous work received an additional four or five days each year. In general, designers, scientists and other highly placed personnel were granted four weeks leave each year. A worker's wages during his period of annual leave were calculated according to his average earnings during the previous year.

76. Annual leave was allotted in each shop in accordance with a schedule drawn up by the plant's finance office. This schedule allowed only a certain percentage of a shop's personnel to be on leave at a given time. This enabled the finance office to equalize its payrolls throughout the course of a year. It also meant, on the other hand, that leave plans were drawn up in each shop at the beginning of a year. Thus, a worker could not approach his boss at any given time and say that he wished to take leave the following month.

77. The plant management paid Soviet workers and employees who had less than three years of service 60 per cent of their average pay when on sick leave. Eighty per cent of a salary was paid to sick workers with three to five years' employment time and a full salary to personnel with more than five years of service. The trade union gave additional support to its members who were out on sick leave.

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Restrictions on Employment

78. Before a Soviet worker or employee was allowed to transfer from Plant No. 393 to another plant, he had to obtain the approval of both his present and future employer. [redacted]

[redacted] it was extremely difficult for a Soviet employee to obtain permission to leave Plant No. 393. Those Soviet employees who wished to transfer and were unable to obtain the necessary clearances expressed open dissatisfaction with the situation.

79. [redacted] a mechanic at Plant No. 393 [redacted] had been offered a better job with a research institute in the Moscow area. An entire year passed before he was able to obtain a job release from the Krasnogorsk plant management. It was more or less a matter of luck that he finally obtained permission to leave. The institute which wished to hire him was an important enterprise and was able to use its influence in Moscow to effect his transfer.

80. [redacted] a man by the name of SIMIN who was employed as a guide with the kongendatura at Plant No. 393. This man had originally been employed by the Krasnogorsk plant before the war. He was transferred to Novosibirsk when the plant was evacuated to that city during the war. He was employed in a leading position in the Novosibirsk plant's personnel section. However, he found the climate there unhealthy for his children (or perhaps for himself). Because of this, SIMIN attempted to obtain a transfer back to Krasnogorsk after the reestablishment of the optical plant there. He was unsuccessful in these attempts, even though either he or his children had contracted tuberculosis as a result of the unhealthy climate. The man became desperate and fled with his family from Novosibirsk to Moscow without permission. As punishment for his action, SIMIN was demoted to the position of guide, but was allowed to remain at Plant No. 393. He was required to work for a probationary period of one year in this post. During this period, he and his family lived in extreme poverty and existed largely on hand-outs from sympathetic Germans. The story did have a happy ending. SIMIN was able to obtain a good job with a Moscow plant upon completion of his probation.

Disciplinary Measures

81. [redacted] Soviet workers and employees were strictly punished for violations of plant regulations. Persons who were tardy for only a few minutes or committed other minor infractions received stern reprimands from their shop bosses. Persons guilty of more serious misdemeanors or repeated tardiness were brought before the local court. There they were frequently fined 25 per cent to 50 per cent of their wages for periods of from four to six months.

82. Persons convicted of theft of state property and of any physical violence received particularly severe sentences. In one [redacted] a German housewife [redacted] had a quarrel with a Soviet female guard at her home. [redacted] In the course of the argument, Frau [redacted] hit the Soviet guard and knocked her down. She was sentenced

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to five years in a corrective labor camp for striking a state official. She served three years in a camp located in the northern Urals before being released by a yearly amnesty on account of good behaviour and poor health.

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25X1 83. Evidently shop chiefs could punish disciplinary infractions on their own initiative. A German engineer [redacted] 25X1 [redacted] headed a small designing group at Plant No. 393. 25X1 He was accused by the shop chief of deliberately failing to fulfill his production plan. The shop chief fined [redacted] 25X1 25 per cent of his salary for a period of three months. 25X1 [redacted] had actually been treated unjustly. He was opposed to the activities of the Antifa and was disliked by the shop chief on that score. [redacted] lodged a protest with the plant director and was able to clear himself. The fine was revoked. The shop chief was allowed to save face by claiming that the fine was lifted due to [redacted] subsequent good behaviour and demonstration of good intentions. However, 25X1 the incident has a broader significance [redacted] as it demonstrates the precarious position of Soviets employed in responsible positions.

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84. According to another form of discipline, Soviet workers and employees were required to pay for faulty production for which they could be held responsible. This measure was of course unpopular with Soviet workers who were affected by it, but it probably achieved its purpose of promoting efficiency. Soviet workers were by nature rather thoughtless and careless. This regulation made them be more careful at work.

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85. This measure was undoubtedly used by shop chiefs and other supervisors to punish their enemies and politically inactive individuals [redacted] A shop boss probably looked the other way when a Party member or one of his good friends produced a defective article, but lost no time in punishing other workers for the same offense. [redacted] this type of discrimination was characteristic in general of all disciplinary measures at Plant No. 393.

Training Facilities

86. There were numerous types of academic and vocational schools in Krasnogorsk which were operated by or were in close contact with Plant No. 393. Apart from the local ten-year school, there was a tekhnikum in Krasnogorsk which trained specialists in optics and precision mechanics. Some of the better qualified Soviet personnel employed at Plant No. 393 taught a few hours a week at this tekhnikum. A Moscow institute also maintained a branch or correspondence school (zaochnyy institut) in the town which offered a part-time training course for engineers in the field of optics.

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87. Furthermore, there was a secondary school in Krasnogorsk connected in some way with Plant No. 393 which gave plant workers the opportunity to complete their secondary education outside of working hours. There was also a trade school (remeslennaya shkola) located in the town. The young students enrolled in this school worked from time to time in Plant No. 393. They evidently were paid next to nothing. [redacted] they received no pocket money but were given only free food and lodging.

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At any rate, they constituted a definite security risk for the Germans as they were always stealing from [] apartments, throwing rocks at [] windows, and in a few cases molesting German women.

88. Finally, the plant maintained a foremen's school (shkola mas-terov) at which outstanding workers or perhaps Party favorites were given the opportunity to study after hours and thus to qualify as foremen. [] no on-the-job training of apprentices at Plant No. 393.

89. [] there were plenty of educational opportunities at Plant No. 393, for Soviet workers and employees who wished to get ahead. [] a good majority of the Soviets there utilized one training course or another. And this apparently was not only true at the Krasnogorsk plant. [] very many Soviet workers studied technical literature and school assignments on their way to and from work.

[] Commer. Dmitriy Federovich Ustinov became People's Commissar for Armaments in 1941 and Minister of Armaments in 1946.

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